

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7077

Joint Petition of all Vermont affiliates of Adelphia)
Communications Corporation ("Adelphia") and Time Warner)
Cable Inc. for: (1) consent to sell substantially all of Adelphia's)
Vermont assets to Cable Holdco Exchange III LLC; (2) approval)
of such affiliates' abandonment of cable television service in)
Vermont; and (3) revocation of the affiliates' Certificates of Public)
Good; AND **Joint Petition** of Time Warner Cable Inc. and Cable)
Holdco Exchange III LLC for a Certificate of Public Good for)
Cable Holdco to own and operate said cable television systems;)
AND **Joint Petition** of Time Warner Cable Inc. and Comcast of)
Georgia, Inc. for authority to acquire control of Cable Holdco)
Exchange III LLC)

Order entered: 4/19/2010

ORDER DISCHARGING BOND AND AMENDING CERTIFICATE OF PUBLIC GOOD

I. INTRODUCTION

On March 17 and March 18, 2010, Comcast of Connecticut/Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC ("Comcast") filed a petition and supporting documents (the "Petition") with the Public Service Board ("Board") for the discharge of the bond required by Condition 42 of the Certificate of Public Good ("CPG") issued by the Board to Comcast on December 29, 2005. On March 23, 2010, the Vermont Department of Public Service ("Department") filed a letter stating that the Department had no objection to the discharge of the bond. On March 29, 2010, the Vermont Access Network, Inc. ("VAN"), filed a letter stating that it had no objection to the discharge, but expressing concern that another condition of the CPG continue to be enforced.

By today's Order the Board grants Comcast's Petition and releases Comcast from the requirement of providing a bond under Condition 42 of the CPG.

II. BACKGROUND

Condition 42, requiring a bond which, since December of 2008 has been in the amount of \$9 million, was imposed in the CPG issued to Comcast because a similar provision had been included in the CPG of Comcast's predecessor, Adelphia Communications Corporation ("Adelphia"). The purpose of this bond was to assure that Adelphia would honor its long-time commitments to build out its system. Regulators had experienced years of frustration at Adelphia's refusal to build line extensions that would clearly be profitable and that, moreover, were required by its line-extension tariff. When Comcast sought permission to purchase the Vermont systems it volunteered to accept the same conditions that the Board had imposed upon Adelphia, and the Board included those conditions in Comcast's CPG.

III. DISCUSSION

The subject Condition was imposed upon Comcast, at Comcast's behest, because of bad action by Comcast's predecessor. It appears from the supporting documentation filed with the Petition that Comcast has performed the required line extension construction as promised. The Department, which has the duty of day-to-day oversight of Comcast's construction activity, has no objection to the relief sought.

VAN's comment concerns Comcast's duty under Condition 69 of the CPG. That condition requires Comcast to inform the relevant Access Management Organizations ("AMO's") of any rebuild or upgrade of any system. This Condition was imposed so that the AMO's could know when the channel-carrying capacity of a system was going to be increased, which in turn would allow the AMO to request any appropriate increase in public access channel capacity pursuant to Board Rule 8.400 *et seq.* Nothing in this Order changes Condition 69; Condition 42 related to line extensions and new construction, not to any rebuilds or upgrades, and we remind Comcast that Condition 69 (as well as the other remaining Conditions of the CPG) is still in effect.

There is, therefore, no longer any need for a performance bond; the Petition may be granted, and Comcast may be released from the bond requirement of Condition 42.

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The Petition of Comcast is hereby granted.
2. Comcast is hereby released from the bond requirement of Condition 42 of its CPG.
3. An amended CPG will be issued to reflect the release of the bond.

Dated at Montpelier, Vermont, this 19th day of April, 2010.

<u>s/James Volz</u>)	
)	
)	PUBLIC SERVICE
<u>s/David C. Coen</u>)	
)	BOARD
)	
)	OF VERMONT
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OFFICE OF THE CLERK

FILED: April 19, 2010

ATTEST: s/Judith C. Whitney
Deputy Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.